

State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 09/22/2009 (Per: RCT)

- | | |
|---|---|
| A ☛ The <u>2009</u> drafting file for
LRB-2502 | H ☛ The <u>2009</u> drafting file for
LRB-2509 |
| B ☛ The <u>2009</u> drafting file for
LRB-2503 | I ☛ The <u>2009</u> drafting file for
LRB-2510 |
| C ☛ The <u>2009</u> drafting file for
LRB-2504 | J ☛ The <u>2009</u> drafting file for
LRB-2511 |
| D ☛ The <u>2009</u> drafting file for
LRB-2505 | K ☛ The <u>2009</u> drafting file for
LRB-2528 |
| E ☛ The <u>2009</u> drafting file for
LRB-2506 | L ☛ The <u>2009</u> drafting file for
LRB-2591 |
| F ☛ The <u>2009</u> drafting file for
LRB-2507 | M ☛ The <u>2009</u> drafting file for
LRB-2592 |
| G ☛ The <u>2009</u> drafting file for
LRB-2508 | N ☛ The <u>2009</u> drafting file for
LRB-2593 |

☛ **Compile Draft – Appendix K**

has been copied/added to the drafting file for

2009 LRB-3254 (SB 279)

2009 DRAFTING REQUEST

Bill

Received: 04/01/2009

Received By: tkuczens

Wanted: As time permits

Identical to LRB:

For: Legislative Council - JLC

By/Representing: Larry Konopacki

This file may be shown to any legislator: NO

Drafter: tkuczens

May Contact:

Addl. Drafters:

Subject: Econ. Development - bus. dev.
Agriculture - other

Extra Copies: RCT

Submit via email: YES

Requester's email: larry.konopacki@legis.wisconsin.gov

Carbon copy (CC:) to: tracy.kuczenski@legis.wisconsin.gov
john.stolzenberg@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

financial assistance related to bioenergy feedstocks, biorefineries, and conversion to biomass energy

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tkuczens 04/01/2009			_____			
/P1	tkuczens 06/03/2009	jdyer 06/25/2009	jfrantze 04/01/2009	_____	cduerst 06/25/2009		
	tkuczens 06/23/2009		jfrantze 06/19/2009	_____			
			jfrantze 06/25/2009	_____			

LRB-2528

06/25/2009 02:36:05 PM

Page 2

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

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/?	tkuczens	PI 6/24 jw	4/1	LC Don't p18			
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FE Sent For:

4/25 <END>

1 **AN ACT** *to repeal* 66.1103 (2) (k) 18. and 93.46 (3); *to renumber* 560.126 (1) to (4);
2 *to amend* 93.46 (2) (a) and 560.126 (1) (d); and *to create* 93.46 (2) (b) 4m. and 5m.
3 and (f) and 560.126 (1) of the statutes; **relating to:** financial assistance related to
4 bioenergy feedstocks, biorefineries, and conversion to biomass energy.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill draft was prepared for the joint legislative council's special committee domestic biofuels. The bill draft expands the applicability of relevant state financial assistance programs, to ensure that the programs support the establishment, production, harvest, storage, and transport of bioenergy feedstocks; the conversion of ethanol production plants to biomass energy for process heat; and the development and construction of biorefineries.

The draft clarifies that the industrial revenue bond program, the agricultural diversification grant program, and the renewable energy grants and loan program apply to these types of projects, as described in the SECTION comments below.

5 **SECTION 1.** 66.1103 (2) (k) 18. of the statutes is repealed.

NOTE: This provision affects the definition of "projects" eligible for financing with industrial revenue bonds. Current subd. 18. includes in these projects "alcohol fuel production facilities". The repeal of subd. 18. clarifies that biorefineries that produce other types of fuel are eligible "projects", as all biorefineries are included in the projects covered under current subd. 1.

6 **SECTION 2.** 93.46 (2) (a) of the statutes is amended to read:

7 93.46 (2) (a) The department shall make agricultural and forestry research and
8 development grants. The department may provide grants to fund demonstration projects,
9 feasibility analyses and applied research directed toward new or alternative technologies and
10 practices that will stimulate agricultural and forestry development and economic activity.

COMMENT: This provision expands the agricultural diversification grant program to include forestry-related research and development grants and authority. The department of agriculture, trade and consumer protection (DATCP) may only award grants under this subsection if the grant is for a project conducted in this state that meets one or more of the purposes specified in sub. (2) (b).

- 1 **SECTION 3.** 93.46 (2) (b) 4m. and 5m. and (f) of the statutes are created to read:
- 2 93.46 (2) (b) 4m. Diversification and expansion of the production, processing and
- 3 distribution of forestry products that are used to produce alternative fuels, heat, or electricity.
- 4 5m. Commercial application of new technologies or practices related to the production
- 5 of alternative fuels, heat, or electricity from forestry products.

COMMENT: This SECTION establishes two types of forestry-related projects that are eligible for an agricultural diversification grant. These new purposes are based on the following two purposes for grants under this program under current law relating to agricultural products:

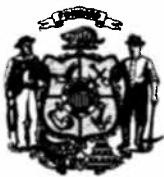
93.46 (2) (b) (intro.) The department may not award a grant under this subsection unless the grant is for a project conducted in this state that has at least one of the following purposes:

...

4. Diversification and expansion of the production, processing, and distribution of agricultural products.

5. Commercial application of new technologies or practices related to agricultural products.

- 6 (f) If the department receives an application under this subsection for grant for a
- 7 forestry-related project, analyses or applied research, the department shall do all of the
- 8 following:
- 9 1. Consult with the department of natural resources in evaluating the grant application.
- 10 2. If the department awards the grant, require the grant recipient to coordinate its
- 11 activities under the grant with forestry-related programs identified by the department of
- 12 natural resources in the consultation under subd. 1.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-2528/P1

TKK:jf

jld insert

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

LPS-
PWF
please

6/23/09

cs
This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

4 Gen
1 AN ACT ...; relating to: financial assistance related to bioenergy feedstocks,
2 biorefineries, and conversion to biomass energy.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill ~~draft~~ was prepared for the joint legislative council's special committee domestic biofuels. The bill ~~draft~~ expands the applicability of relevant state financial assistance programs, to ensure that the programs support the establishment, production, harvest, storage, and transport of bioenergy feedstocks; the conversion of ethanol production plants to biomass energy for process heat; and the development and construction of biorefineries.

The ~~draft~~ ^{bill} clarifies that the industrial revenue bond program, the agricultural diversification grant program, and the renewable energy grants and loan program apply to these types of projects, as described in the SECTION comments below.

3 SECTION 1. 66.1103 (2) (k) 18. of the statutes is repealed.

NOTE: This provision affects the definition of "projects" eligible for financing with industrial revenue bonds. Current subd. 18. includes in these projects "alcohol fuel production facilities". The repeal of subd. 18. clarifies that biorefineries that produce other types of fuel are eligible "projects", as all biorefineries are included in the projects covered under current subd. 1.

Insert 1-3

Insert 1-NOTE

1 **SECTION 2.** 93.46 (2) (a) of the statutes is amended to read:

2 93.46 (2) (a) The department shall make agricultural and forestry research and
3 development grants. The department may provide grants to fund demonstration
4 projects, feasibility analyses and applied research directed toward new or
5 alternative technologies and practices that will stimulate agricultural and forestry
6 development and economic activity.

LPS -
Fixed
electronically
already

NOTE ← CS

COMMENT: This provision expands the agricultural diversification grant program to include forestry-related research and development grants and authority. The department of agriculture, trade and consumer protection (DATCP) may only award grants under this subsection if the grant is for a project conducted in this state that meets one or more of the purposes specified in sub. (2) (b). (dm)

7 **SECTION 3.** 93.46 (2) (b) 4m. and 5m. and (f) of the statutes are created to read:

8 93.46 (2) (b) 4m. Diversification and expansion of the production, processing,
9 and distribution of forestry products that are used to produce alternative fuels, heat,
10 or electricity.

11 5m. Commercial application of new technologies or practices related to the
12 production of alternative fuels, heat, or electricity from forestry products.

LPS - Fixed
electronically
already

NOTE ← CS

COMMENT: This SECTION establishes two types of forestry-related projects that are eligible for an agricultural diversification grant. These new purposes are based on the following two purposes for grants under this program under current law relating to agricultural products:

93.46 (2) (b) (intro.) The department may not award a grant under this subsection unless the grant is for a project conducted in this state that has at least one of the following purposes:

...

4. Diversification and expansion of the production, processing, and distribution of agricultural products.

5. Commercial application of new technologies or practices related to agricultural products.

13 (dm) (f) If the department receives an application under this subsection for grant for
14 a forestry-related project, analyses, or applied research, the department shall do all
15 of the following:

1 1. Consult with the department of natural resources in evaluating the grant
2 application.

3 2. If the department awards the grant, require the grant recipient to coordinate
4 its activities under the grant with ^{any} forestry-related programs identified by the
5 department of natural resources in the consultation under subd. 1.

NOTE ← CS
COMMENT: This SECTION requires DATCP to engage in the specified activities if an application under the agricultural diversification grant program is for a forestry-related purpose.

6 SECTION 4. 93.46 (3) of the statutes is repealed.

NOTE ← CS
COMMENT: This SECTION repeals s. 93.46 (3), as agricultural diversification grants are no longer made under this subsection.

7 SECTION 5. 560.126 (1) to (4) of the statutes are renumbered 560.126 (2) to (5).

8 SECTION 6. 560.126 (1) of the statutes is created to read:

9 560.126 (1) In this section, "biorefinery" means a facility, including equipment
10 and processes, that converts biomass into fuels and products and may produce
11 electricity.

NOTE ← CS
COMMENT: This definition is added to the renewable energy grants and loans program, a.k.a., the Wisconsin energy independence fund. It is based on the definition of "biorefinery" in sec. 9001 (7) in the 2008 Farm Bill.

12 **Fix component** SECTION 7. 560.126 (1) (d) of the statutes is amended to read: ^{is renumbered 560.126 (1s) and}
13 560.126 (1) (d) The construction of one or more ^{as renumbered} cellulosic ethanol production
14 plants biorefineries.

NOTE ← CS
COMMENT: This provision establishes that the construction of any type of biorefinery is eligible for a grant or loan under the program, irrespective of the type of fuel produced or if fuel production is not the primary purpose of the facility.

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2528/P1ins
TKK:...jf

1 **INSERT 1-3**

2 **SECTION 1.** 20.115 (4) (c) of the statutes is amended to read:

3 20.115 (4) (c) *Agricultural investment aids.* Biennially, the amounts in the
4 schedule for agricultural research and development grants under s. 93.46 (2) and (3).

History: 1971 c. 125, 215; 1973 c. 90, 299, 333; 1975 c. 39 ss. 78m, 79, 79m, 79n, 732 (1); 1975 c. 224; 1975 c. 394 ss. 1, 27; 1977 c. 29 ss. 112 to 115v, 1650m (1), (4), 1654 (1); 1977 c. 87, 106, 181, 418; 1979 c. 34, 129, 221, 289, 335; 1981 c. 20, 66, 93, 283, 346, 357; 1983 a. 27, 132, 368; 1983 a. 410 ss. 5, 2202 (2); 1985 a. 7, 8, 29, 138, 153, 313; 1987 a. 27, 281, 354; 1987 a. 399 ss. 34 to 38, 38u; 1987 a. 403 s. 256; 1989 a. 31, 219, 227, 282, 284, 335, 336; 1991 a. 39, 269, 309, 315; 1993 a. 16, 166, 243, 437, 456, 497; 1995 a. 27, 42, 79, 460; 1997 a. 27, 192, 252, 264; 1999 a. 5, 9, 55, 185; 2001 a. 16, 38, 56, 103, 109; 2003 a. 33, 38, 133, 326, 327; 2005 a. 25; 2007 a. 20, 125, 223.

5 **SECTION 2.** 20.115 (4) (r) of the statutes is amended to read:

6 20.115 (4) (r) *Agricultural investment aids, agrichemical management fund.*

7 Biennially, from the agrichemical management fund, the amounts in the schedule
8 for agricultural research and development grants under s. 93.46 (2) and (3).

History: 1971 c. 125, 215; 1973 c. 90, 299, 333; 1975 c. 39 ss. 78m, 79, 79m, 79n, 732 (1); 1975 c. 224; 1975 c. 394 ss. 1, 27; 1977 c. 29 ss. 112 to 115v, 1650m (1), (4), 1654 (1); 1977 c. 87, 106, 181, 418; 1979 c. 34, 129, 221, 289, 335; 1981 c. 20, 66, 93, 283, 346, 357; 1983 a. 27, 132, 368; 1983 a. 410 ss. 5, 2202 (2); 1985 a. 7, 8, 29, 138, 153, 313; 1987 a. 27, 281, 354; 1987 a. 399 ss. 34 to 38, 38u; 1987 a. 403 s. 256; 1989 a. 31, 219, 227, 282, 284, 335, 336; 1991 a. 39, 269, 309, 315; 1993 a. 16, 166, 243, 437, 456, 497; 1995 a. 27, 42, 79, 460; 1997 a. 27, 192, 252, 264; 1999 a. 5, 9, 55, 185; 2001 a. 16, 38, 56, 103, 109; 2003 a. 33, 38, 133, 326, 327; 2005 a. 25; 2007 a. 20, 125, 223.

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TKK:....jf

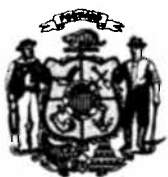
1

INSERT 1-NOTE

****NOTE: I'm not sure the explanatory note clearly follows from the repeal of s. 66.1103 (2) (k) 18. I have a couple of questions and a suggestion:

Is alcohol fuel necessarily a product of "agriculture, forestry, mining or manufacture?" I just don't know. For that matter, are biorefineries necessarily "assembling, fabricating, manufacturing, mixing or processing facilities?" Perhaps it would make more sense to amend this subdivision to add the word, "biorefineries" rather than deleting the subdivision entirely, which could give the impression that alcohol fuel production facilities no longer qualify? *

(end ins)



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-2528/P1
TKK:jld:jf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT** *to repeal* 66.1103 (2) (k) 18. and 93.46 (3); *to renumber and amend*
2 560.126 (1); *to amend* 20.115 (4) (c), 20.115 (4) (r) and 93.46 (2) (a); and *to*
3 **create** 93.46 (2) (b) 4m. and 5m. and (dm) and 560.126 (1d) of the statutes;
4 **relating to:** financial assistance related to bioenergy feedstocks, biorefineries,
5 and conversion to biomass energy.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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The bill clarifies that the industrial revenue bond program, the agricultural diversification grant program, and the renewable energy grants and loan program apply to these types of projects, as described in the SECTION comments below.

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4 **SECTION 2.** 20.115 (4) (r) of the statutes is amended to read:

5 20.115 (4) (r) *Agricultural investment aids, agrichemical management fund.*
6 Biennially, from the agrichemical management fund, the amounts in the schedule
7 for agricultural research and development grants under s. 93.46 (2) ~~and (3)~~.

8 **SECTION 3.** 66.1103 (2) (k) 18. of the statutes is repealed.

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12 projects, feasibility analyses and applied research directed toward new or
13 alternative technologies and practices that will stimulate agricultural and forestry
14 development and economic activity.

NOTE: This provision expands the agricultural diversification grant program to include forestry-related research and development grants and authority. The department of agriculture, trade and consumer protection (DATCP) may only award grants under this subsection if the grant is for a project conducted in this state that meets one or more of the purposes specified in sub. (2) (b).

1 **SECTION 5.** 93.46 (2) (b) 4m. and 5m. and (dm) of the statutes are created to
2 read:

3 93.46 (2) (b) 4m. Diversification and expansion of the production, processing,
4 and distribution of forestry products that are used to produce alternative fuels, heat,
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6 5m. Commercial application of new technologies or practices related to the
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NOTE: This SECTION establishes two types of forestry-related projects that are eligible for an agricultural diversification grant. These new purposes are based on the following two purposes for grants under this program under current law relating to agricultural products:

93.46 (2) (b) (intro.) The department may not award a grant under this subsection unless the grant is for a project conducted in this state that has at least one of the following purposes:

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4. Diversification and expansion of the production, processing, and distribution of agricultural products.

5. Commercial application of new technologies or practices related to agricultural products.

8 (dm) If the department receives an application under this subsection for a grant
9 for a forestry-related project, analyses or applied research, the department shall do
10 all of the following:

11 1. Consult with the department of natural resources in evaluating the grant
12 application.

13 2. If the department of agriculture, trade and consumer protection awards the
14 grant, require the grant recipient to coordinate its activities under the grant with
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NOTE: This SECTION repeals s. 93.46 (3), as agricultural diversification grants are no longer made under this subsection.

2 **SECTION 7.** 560.126 (1) of the statutes is renumbered 560.126 (1s), and 560.126
3 (1s) (d), as renumbered, is amended to read:

4 560.126 (1s) (d) The construction of one or more ~~cellulosic ethanol production~~
5 ~~plants~~ biorefineries.

NOTE: This provision establishes that the construction of any type of biorefinery is eligible for a grant or loan under the program, irrespective of the type of fuel produced or if fuel production is not the primary purpose of the facility.

6 **SECTION 8.** 560.126 (1d) of the statutes is created to read:

7 560.126 (1d) In this section, "biorefinery" means a facility, including
8 equipment and processes, that converts biomass into fuels and products and may
9 produce electricity.

NOTE: This definition is added to the renewable energy grants and loans program, a.k.a., the Wisconsin energy independence fund. It is based on the definition of "biorefinery" in sec. 9001 (7) in the 2008 Farm Bill.

10

(END)

1

Biofuels Recommendations 8/6/09

Final Draft	Topic	LRB #	Redraft Requested	Status
WLC:-0356/2	state financial assistance	- 2528	----	DONE
WLC:-0357/2	use value property tax	-2504	----	DONE
WLC:-0358/2	feedstocks assessment	-2592	----	DONE
WLC:-0359/1	management practices	-2507	----	DONE
WLC:-0360/2	carbon offset education	-2508	----	DONE
WLC:-0361/1	training assessment	-2593	----	DONE
WLC:-0362/1	regulatory burden study	-2509	----	DONE
WLC:-0363/1	marketing order	-2510	----	DONE
WLC:-0364/3	personal fuel production exemption	-2505	----	DONE
WLC:-0365/3 (3/11 amdt)	blender pump tax credit	-2503	----	DONE
WLC:-0367/2	wholesale unblended fuel	- 2506	----	DONE
WLC:-0368/5 (3/11 amdt)	renewable fuels requirement	-2511	----	DONE
WLC:-0369/2	state fleet	-2502	----	DONE (no elec. copy)
WLC:-0370/2	OEI powers & duties	-2591	----	DONE
Letter to Cong. Delegation	w/o reference to "switchgrass"			
Letter to Gov.				

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Need 14
Compile Drafts
Added To
SB 279
(LRB-3254/1)



State of Wisconsin
LEGISLATIVE REFERENCE BUREAU

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